



**House  
Legislative  
Analysis  
Section**

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### ***THE APPARENT PROBLEM:***

The Michigan Bean Commission was formed over 20 years ago to conduct research on dry edible bean production and product development, and to create and implement promotional programs to benefit Michigan's dry edible bean industry. Originally, the program was funded by a voluntary assessment of three cents per hundredweight of dry edible beans when the beans were sold by farmers. About 12 years ago, the assessment was raised to five cents per hundredweight, and was required of all farmers growing and selling dry beans in Michigan. As bean production has fluctuated and as bean growers have diversified in the kinds of dry edible beans that they grow, problems have arisen, both with the revenue generated by the program and in the growers' representation on the commission. The bill would address these problems by reapportioning and increasing the number of grower districts (thereby increasing grower representation on the commission) and by allowing the commission to reapportion grower districts in the future and to ask growers to approve changes either in the method or in the amount of assessments on beans.

### ***THE CONTENT OF THE BILL:***

The bill would amend Public Act 114 of 1965, which established the Michigan Bean Commission, to do the following:

- change the number of state districts from 6 to 8;
- increase the number of members on the Michigan Bean Commission from 9 to 11; and
- allow the commission (a) to reapportion the state districts (with the advice and consent of the director of the Department of Agriculture and Commission of Agriculture) and (b) to change the method or amount of assessments on bean production after approval by a referendum of bean growers.

State districts. Currently, the act divides the state into six grower districts, with each district having from one to six counties. The bill would create a District 7 and a District 8 by removing certain counties from Districts 1, 2, and 3, and placing them in the new districts.

#### Existing Districts:

- 1: Arenac, Bay, Isabella, Mecosta, Midland, and Montcalm counties
- 2: Clinton, Eaton, Gratiot, Ionia, Ingham, and Kent counties
- 3: Saginaw and Shiawassee counties
- 4: Tuscola county
- 5: Genesee, Lapeer, Macomb, St. Clair and Sanilac counties

#### Proposed Districts:

- 1: Arenac, Bay, Mecosta, and Midland counties
- 2: Gratiot county
- 3: Saginaw county
- 4: Tuscola county (no change)
- 5: Genesee, Lapeer, Macomb, St. Clair, and Sanilac counties (no change)

## **CHANGE BEAN COMMISSION LAW**

House Bill 4725 as introduced  
First Analysis (5-11-89)

**RECEIVED**

Sponsor: Rep. Thomas L. Hickner  
Committee: Agriculture

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6: Huron county

6: Huron county (no change)

7: Eaton, Ingham, Clinton, and Shiawassee counties

8: Montcalm, Kent, Isabella, and Ionia counties "as well as all counties north of these counties that are not otherwise assigned to a district."

District reapportionment. Every five years (beginning not less than five years after the effective date of the bill), the commission could, with the advice and consent of the director of the Department of Agriculture and the Commission of Agriculture, reapportion the state grower districts. Reapportionment would have to be on the basis of one or more counties, with the amount of planted dry bean acreage being as nearly equal as possible between districts.

If, after reapportionment by the bean commission, one bean commission representative's residence fell within the district of another representative, both representatives would continue to serve on the commission for the length of time remaining in the term of the member who had served for the longest period of time. Newly created grower districts without a member would have a member selected under the current act's provisions (which is by appointment by the governor, with the advice and consent of the Senate, from lists of nominees submitted by growers, handlers, and canners).

Assessments on bean production. The bean commission would be allowed to change the method or the amount of the assessment on beans sold or shipped, provided that the proposed change was approved by growers in a referendum. More than 50 percent of the growers voting in the referendum would have to approve the proposed change, and those voters would have to represent more than 50 percent of the hundredweight voting.

MCL 290.552 and 290.553

### ***FISCAL IMPLICATIONS:***

Fiscal information is not available. (5-10-89)

### ***ARGUMENTS:***

#### ***For:***

Even though the Michigan Bean Commission has instituted significant reductions in the cost of management and administration and even though a recent referendum among dry edible bean growers confirmed the growers' willingness to continue the mandatory assessment program that funds the commission, declines in production in the past five years have resulted in declines in revenues to the commission. Revenues could be increased either by raising the fixed assessment or by changing the method of assessment. For example, annual revenues could be made

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more predictable by changing assessments from a fixed amount per hundredweight to a percentage of the price paid to growers for their beans. While growers would pay the same percentage assessment each year, the actual dollar amount would depend on the prices, which themselves tend to depend on production volume (since as production goes down, prices go up, and vice versa).

Yet under existing law, the commission has no authority even to ask growers to consider raising the assessment or changing the method of assessment. While in itself the bill would not increase the amount of the assessment or change the method of assessment, it would give the commission the authority to seek the approval of dry bean growers for such changes.

***For:***

The bill would provide greater representation on the commission from currently under-represented areas, both in terms of geographical location and in terms of production techniques associated with different varieties of dry beans. Michigan's dry bean industry used to be overwhelmingly concentrated on navy beans, which use dry land production techniques. Increasingly, however, growers have been turning to varieties of colored beans (such as dark red kidney, light red kidney, great northern, pinto, and cranberry beans) that use irrigation systems.

Yet under the current apportionment of grower districts, there are two very large districts that encompass different production practices and varieties of beans. For example, Arenac County, which is known primarily for dry land navy bean production, is in the same district as Montcalm County, which is known for the production, under irrigated systems, of dry bean varieties such as dark red kidney, cranberry, and light red kidney beans.

The bill would provide greater representation from areas (like Montcalm County) where growers use distinctly different production systems, produce different varieties of beans, and otherwise approach the dry bean business differently than other areas. It would do this by reapportioning the existing districts and adding two new districts (based on county lines, production systems and varietal production, and residences of current commission members), without eliminating any of the current commission members. Finally, the bill would allow for flexibility in responding to changes in grower representation needs by giving the commission the authority to reapportion districts in the future based on planted dry bean acres and county lines.

***POSITIONS:***

There are no positions on the bill.